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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Billed Party Preference for
0+ InterLATA Calls

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CC Docket No. 92-77

RM-8606

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NYNEX COMMENTS

The NYNEX Telephone Companies ("NYNEX")¹ hereby comment on the proposal made by NYNEX and other parties to establish a rate ceiling on 0+ operator service calls. NYNEX also comments on the Petition for Rulemaking filed by the National Association of Attorneys General ("NAAG") which proposes increased disclosures by operator service providers (OSPs).

I. THE RATE CAP PROPOSAL SHOULD BE ADOPTED

On March 8, 1995, NYNEX and other members of the industry² filed an ex parte proposal for a rate ceiling on 0+ operator service calls. The proposal would adopt a benchmark rate on a simple per minute basis,

¹ The NYNEX Telephone Companies are New York Telephone Company and New England Telephone and Telegraph Company.

² The Competitive Telecommunications Association ("CompTel"), the American Public Communications Council ("APCC"), MFS, Teleport, Bell Atlantic, BellSouth and US WEST.

without regard to time-of-day, distance, or whether the call was handled on an automated or live basis, or made with a calling card or collect. This proposal would serve as an alternative to billed party preference (BPP), and could be implemented much more quickly and much less expensively than BPP.

NYNEX urges the Commission to adopt the rate ceiling proposal. As noted in the ex parte proposal, BPP is not in the public interest for several reasons, including:

1. BPP would cost nearly \$2 billion to implement;
2. BPP would take at least 3 years to become operational;
3. BPP would affect the routing of less than 20 per cent of operator-assisted calls; and
4. BPP would cause massive customer confusion, create serious fraud control issues, and harm competition.

In short, BPP is a hugely expensive solution to a small and diminishing problem.

The proposed rate ceiling alternative solves the lingering problem of OSPs charging excessive rates, but is far less costly, less regulatory and more quickly implemented than BPP. The Commission should adopt the rate ceiling proposal and abandon BPP once and for all.

II. THE NAAG PROPOSAL SHOULD BE REVISED

In its Petition for Rulemaking, NAAG proposes that OSPs whose rates are not at or below dominant carrier rates be required to provide to consumers, through a voice-over following carrier identification, a statement such as the following:

"This may not be your regular telephone company and you may be charged more than your regular telephone company would charge for this call. To find out how to contact your regular telephone company call 1-800-555-1212."³

NYNEX agrees in principle with the Attorneys General that the public should be protected from OSPs who charge unreasonable rates for telephone service. NYNEX also agrees that customers should be notified that they may be using a carrier whose rates are higher than their regular long-distance carrier. However, NAAG's proposal would result in local exchange carriers, such as NYNEX, having to bear the cost of providing information to consumers about OSPs who charge excessive rates.⁴ In addition, NYNEX believes that the proposed consumer message will create customer confusion.

³ NAAG Petition at p. 4.

⁴ For example, if the caller from a public phone was directed to dial 411 or 555-1212 by the OSP message, NYNEX would not be able to charge the caller for providing the access code information, assuming this information were available.

Customers who hear the message proposed by the Attorneys General may assume that they are dialing an 800 number to be connected directly to their carrier of choice. However, this will not be the case. Nor is it likely that the caller will be able to obtain information about their regular long-distance carrier's access codes assuming for the moment that the customer even knows the name of his regular long-distance carrier.

As an alternative, NYNEX proposes that the voice-over message be changed as follows:

"This may not be your regular long distance provider and you may be charged more than your regular long distance provider would charge you. See the rate card posted on this telephone for more information on how to contact us regarding our rates and charges."

Such a statement would impose the burden of providing the customer notification on the OSP -- the party responsible for the caller's need to seek further information.

III. CONCLUSION

For the reasons set forth herein, NYNEX urges the Commission to adopt the rate ceiling proposal described in the March 8, 1995 ex parte filing by the industry coalition. The Commission should accept

NAAG's disclosure proposal as an alternative to BPP provided it is
modified as discussed herein.

Respectfully submitted,

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